

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
BEAUFORT DIVISION

UNITED STATES OF AMERICA, ) CR. NO. 9:22-CR-658  
) CHARLESTON, SC  
) AUGUST 24, 2022  
)  
VERSUS )  
)  
RUSSELL L. LAFFITTE, )  
)  
DEFENDANT. )  
\_\_\_\_\_)

BEFORE THE HONORABLE MARY GORDON BAKER  
UNITED STATES MAGISTRATE COURT JUDGE  
ARRAIGNMENT HEARING

APPEARANCES:

FOR THE GOVERNMENT: EMILY LIMEHOUSE, AUSA  
UNITED STATES ATTORNEY'S OFFICE  
151 MEETING STREET  
SUITE 200  
CHARLESTON, SC 29401

FOR THE DEFENDANT: BART DANIEL, ESQ.  
MARSHALL AUSTIN, ESQ.  
NELSON MULLINS RILEY AND  
SCARBOROUGH  
151 MEETING STREET  
SIXTH FLOOR  
CHARLESTON, SC 29401

COURT REPORTER: DEBRA R. BULL, RPR, CRR  
UNITED STATES COURT REPORTER  
315 SOUTH MCDUFFIE STREET  
ANDERSON, SC 29624

STENOTYPE/COMPUTER-AIDED TRANSCRIPTION

\*\*\* \*\*

1 (Whereupon, the hearing commenced at 10:11 a.m.)

2 THE COURT: Good morning, please be seated.

3 One moment, please.

4 All right. Ms. Limehouse, you may call the  
5 first case.

6 MS. LIMEHOUSE: Thank you, Your Honor, may it  
7 please the Court. The first matter is United States  
8 versus Russell Laffitte, criminal docket number  
9 9:22-658. We are here for arraignment on the  
10 superseding indictment. Mr. Laffitte is here today  
11 representing by his attorneys Mr. Bart Daniel and Matt  
12 Austin.

13 THE COURT: Thank you.

14 Mr. Laffitte, you are back in court because the  
15 Federal Grand Jury has returned a Superseding Indictment  
16 against you charging you with additional violations of  
17 federal law.

18 Ms. Limehouse, can you tell us what the new  
19 charges are?

20 MS. LIMEHOUSE: Yes, Your Honor. Substantively,  
21 there are really only two changes to the Indictment, we  
22 added Count 6, which is another misapplication of bank  
23 funds charged in violation of 18 USC 656. It charges  
24 that on or about February 20th, 2015, the Defendant,  
25 Russell Laffitte, being an officer, director, agent, and

1 employee of Palmetto State Bank, a financial institution  
2 insured by the FDIC, with the intent to injure and  
3 defraud the bank willfully misapplied, abstracted, and  
4 purloined money in that he caused the bank to fund a  
5 \$500,000 line of credit to a bank customer for purposes  
6 of farming. Thereafter he issued a \$284,787.52  
7 cashier's check knowing that those loan proceeds would  
8 be and were used for other purposes, mainly to payoff  
9 loans that were previously extended from HP's  
10 conservatorship account. Those allegations are also  
11 further set forth in the scheme and artifice, and that  
12 is subsection G, I believe, on page 5 of the Superseding  
13 Indictment.

14 Substantively, all other matters in the  
15 Indictment remain the same, Your Honor.

16 The penalties for all six counts in the  
17 Indictment are a maximum term of imprisonment of 30  
18 years, a fine of \$250,000, and a million dollars for  
19 the 656 charges, supervised release for five years for  
20 the 656 -- for all of them -- and a Special Assessment  
21 of a hundred dollars.

22 THE COURT: All right. So, thank you.

23 Ms. Laffitte, I do want to remind you, you do  
24 have the right to remain silent or anything you say in  
25 court can and will be used against even in this court

1 hearing and future hearings, do you understand that,  
2 sir?

3 THE DEFENDANT: Yes, ma'am.

4 THE COURT: Do you understand the nature of all  
5 of the charges in the Superseding Indictment and the  
6 maximum penalties you are facing for that?

7 THE DEFENDANT: I do.

8 THE COURT: I will ask the Clerk of Court to  
9 enter a not guilty plea for you today, there is a form  
10 that you sign for that. Mr. Bart Daniel, if you will  
11 come up and get it for him.

12 I believe he has already been informed of his  
13 Rule 5(f), the government's obligations to disclose all  
14 exculpatory evidence.

15 MS. LIMEHOUSE: That's correct, Judge.

16 THE COURT: Thank you.

17 I note that Mr. Laffitte's counsel filed a  
18 motion to modify his bond late yesterday afternoon. We  
19 will set that for a separate hearing, that has not  
20 really been a sufficient time for the Government to  
21 respond or to notify the victims of the motion to  
22 modify. So, we will set that.

23 Ms. Limehouse, does the Government wish to  
24 respond in writing? I will set a deadline for that if  
25 you want to file a written response.

1 MS. LIMEHOUSE: Whatever the Court prefers, Your  
2 Honor. We can plan to do both in writing and orally.  
3 We are prepared to move forward whenever Your Honor is  
4 ready.

5 THE COURT: All right. I also -- you see, I  
6 have a full docket this morning, so I don't have an  
7 opportunity to really have that hearing today.

8 MS. LIMEHOUSE: Sure.

9 THE COURT: I would ask that counsel confer, and  
10 if you are going to file something, file it by Monday,  
11 something in writing, we will set the hearing for next  
12 week, I will send out a notice of that, but I would  
13 ask the parties to confer and let the Clerk of Court  
14 know how much time we need to set aside for the hearing  
15 based upon whether or not there is any witness  
16 testimony.

17 MS. LIMEHOUSE: We will.

18 MR. DANIEL: We will.

19 THE COURT: Anything further I can do today for  
20 this matter, Ms. Limehouse?

21 MS. LIMEHOUSE: No.

22 THE COURT: Mr. Daniel.

23 MR. DANIEL: Nothing further, Your Honor.

24 THE COURT: Mr. Daniel anything further.

25 MR. DANIEL: No, Your Honor.

1 MR. DANIEL: Just so the Court knows, we thought  
2 we were pretty close, the reason we filed that at the  
3 last minute or late hour, we were moving for it the last  
4 couple of weeks on conditions of bond and that didn't  
5 get accomplished in time. I am not blaming anybody,  
6 it just hasn't gotten accomplished in time.

7 THE COURT: If there is some reason you work it  
8 out and there is no need for a hearing, please let the  
9 Court know.

10 MR. DANIEL: Certainly, Your Honor.

11 MS. LIMEHOUSE: Yes, Your Honor.

12 CERTIFICATE

13  
14  
15 I certify that the foregoing is a correct transcript  
16 from the official electronic sound recording of the  
17 proceedings in the above-entitle matter.

18  
19  
20 \_\_\_\_\_  
21 /Debra R. Bull

August 24, 2022  
Date